

2007-2008 ANNUAL FINANCIAL REPORT

"Reminders"

GENERAL

- The amounts shown in the Annual Report must agree with the District's annual audit report completed by a certified public accountant.
- When completing the annual report, use only the IFARMS codes provided in the report. Be sure to categorize revenues and expenditures in the appropriate funds and programs. For example, Business Operation costs should be coded under program 651 (Business), not under District Administration program 632.
- The Bureau of Census and the National Center for Educational Statistics request financial data for Idaho's public schools. The requests cover all funds including the General Fund. The data sent to these agencies comes directly from the Annual Financial Reports.
- If you have a School Activity Fund (agency fund 750), report only balance sheet accounts. An agency fund generates no revenues or expenditures.
- The Annual Report requests information about fixed assets and debt. If your district uses two different capital outlay thresholds, use the lower threshold for reporting on page 100 (Detail of General Fixed Assets) of the Annual Report. The audit will most likely report capital assets using the higher threshold.

IDAHO CODE COMPLIANCE

- IDAHO CODE 33-1019 requires schools to allocate two percent of the replacement value of student-occupied buildings for repairs and maintenance. A Frequently Asked Questions document is available on the School Finance website. (Go to www.sde.idaho.gov/Facilities/default.asp.)
- IDAHO CODE 33-1403 and 1405 require Idaho schools charge **all** out-of-state students a tuition rate not less than the gross per-pupil cost, as determined by the State Department of Education, unless a waiver has been approved by the State Board of Education.
- IDAHO CODE 33-1120 provides for disposition of money remaining after bond redemption. Proceeds from bond sales should be recorded in the Capital Projects Fund (fund 410, revenue code 451000). Bond & Interest Tax Levy revenue should be recorded in the Bond & Interest Fund (fund 310, revenue code 412500).
- IDAHO CODE 33-901 speaks to discounting a School Plant Facilities Reserve Fund. Any balance shall be used to retire outstanding bonds, if any; otherwise, the balance may be transferred to the General Fund.
- IDAHO CODE 33-801 allows a board to establish a general fund contingency reserve within the annual school district *budget*. The only fund in which a contingency is allowed is the General Fund. When contingency dollars are expended (board authorization is required), they must be reflected in the appropriate IFARMS function/program and object codes. "Contingency" is not an expenditure category. It is used only for budgeting purposes.

REVENUES

- Not all federal dollars received by school districts pass through the state. Some federal dollars received by school districts are direct federal assistance. The report of federal assistance (also known as the STARS single audit report), available on the Division of Financial Management's website in August, includes only those federal dollars that passed through a state of Idaho agency. Be sure your auditors are aware of all federal dollars received.
- Property tax revenue should be recorded in the appropriate revenue accounts (i.e. M & O, supplemental, tort, etc.).
- Property Tax Replacement and Agriculture Equipment Replacement money should be recorded as "Revenue in Lieu of Taxes" Code 438000.
- State support dollars received from "outside" the formula, but as part of the public school appropriation, should be recorded as revenue code 431900 "Other State Support".
- Lottery dollars are to be recorded as other state revenue (439000) in the School Plant Facilities Fund (420 or 425).

TRANSFERS OUT

- All "Transfers Out" should be coded to program "920" and object "800." Transfers out should not be reported in any other program or object code.
- Total "Transfers In" should equal total "Transfers Out".

FEDERAL

- All child nutrition revenue dollars (fund 290) are federal (445500). There are no state child nutrition revenue dollars.
- Carl Perkins dollars (fund 263) are federal (445300), not state.
- Federal Forest (fund 220) dollars are recorded as indirect restricted (445900) federal revenue. These are federal dollars that pass through the state and county. IDAHO CODE 57-1304 states that the money may be retained,

accumulated and expended for the purchase of school sites and for the construction and remodeling of school buildings within the discretion of the trustees of the district; provided, that when such moneys are not so needed, they may be expended for current expenses.

- Title I expenditures will usually be categorized in the Elementary School Program (512) and the Secondary School Program (515), rather than the Exceptional Child Program (521).
- Title VI-B (fund 257) and Title VI-B Preschool (fund 258) dollars should be accounted for in separate funds - not combined within a single fund. Fund 257 may account for both flow-through and discretionary funds. Fund 258 is to account for federal preschool exceptional child dollars. Expenditures in fund 257 are recorded in program 521, Exceptional Child Program and/or 616, Special Services Program. Expenditures in fund 258 are recorded in program 522, Preschool Exceptional Program.

TRANSPORTATION

- Remember to report expenditures relating to transporting students to and from school in program 681 (Pupil to School) not 683 (General Transportation).
- State Board Rules and Regulations require the depreciation portion of the state transportation reimbursement be used for the purchase of school buses. Account for depreciation dollars in revenue account 431200 "Transportation Support" in the General Fund. Then, transfer the depreciation dollars out of the General Fund and into the School Plant Facilities Fund.

Please submit your IFARMS Annual Financial Report no later than October 31, 2008.

Please submit your Audit report so that it arrives at the SDE by no later than November 10, 2008.

